



GENERAL ASSEMBLY

COMMONWEALTH OF KENTUCKY

2014 REGULAR SESSION

SENATE BILL NO. 83

TUESDAY, MARCH 4, 2014

The following bill was reported to the House from the Senate and ordered to be printed.

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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY R. Adler

1 AN ACT relating to alcoholic beverages.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 241.010 is amended to read as follows:

4 As used in this chapter and in KRS Chapters 242 and 243, unless the context requires
5 otherwise:

6 (1) "Alcohol" means ethyl alcohol, hydrated oxide of ethyl or spirit of wine, from
7 whatever source or by whatever process it is produced;

8 (2) "Alcoholic beverage" means every liquid or solid, whether patented or not,
9 containing alcohol in an amount in excess of more than one percent (1%) of alcohol
10 by volume, which is fit for beverage purposes. It includes every spurious or
11 imitation liquor sold as, or under any name commonly used for, alcoholic
12 beverages, whether containing any alcohol or not. It does not include the following
13 products:

14 (a) Medicinal preparations manufactured in accordance with formulas prescribed
15 by the United States Pharmacopoeia, National Formulary, or the American
16 Institute of Homeopathy;

17 (b) Patented, patent, and proprietary medicines;

18 (c) Toilet, medicinal, and antiseptic preparations and solutions;

19 (d) Flavoring extracts and syrups;

20 (e) Denatured alcohol or denatured rum;

21 (f) Vinegar and preserved sweet cider;

22 (g) Wine for sacramental purposes; and

23 (h) Alcohol unfit for beverage purposes that is to be sold for legitimate external
24 use;

25 (3) (a) "Alcohol vaporizing device" or "AWOL device" means any device, machine,
26 or process that mixes liquor, spirits, or any other alcohol product with pure
27 oxygen or by any other means produces a vaporized alcoholic product used for

1 human consumption;

2 (b) "Alcohol vaporizing device" or "AWOL device" does not include an inhaler,
3 nebulizer, atomizer, or other device that is designed and intended by the
4 manufacturer to dispense a prescribed or over-the-counter medication or a
5 device installed and used by a licensee under this chapter to demonstrate the
6 aroma of an alcoholic beverage;

7 (4) "Automobile race track" means a facility primarily used for vehicle racing that has a
8 seating capacity of at least thirty thousand (30,000) people;

9 (5) "Board" means the State Alcoholic Beverage Control Board created by KRS
10 241.030;

11 (6) "Bottle" means any container which is used for holding alcoholic beverages for the
12 use and sale of alcoholic beverages at retail;

13 (7) "Brewer" means any person who manufactures malt beverages or owns, occupies,
14 carries on, works, or conducts any brewery, either alone or through an agent;

15 (8) "Brewery" means any place or premises where malt beverages are manufactured for
16 sale, and includes all offices, granaries, mash rooms, cooling rooms, vaults, yards,
17 and storerooms connected with the premises; or where any part of the process of the
18 manufacture of malt beverages is carried on; or where any apparatus connected with
19 manufacture is kept or used; or where any of the products of brewing or
20 fermentation are stored or kept;

21 (9) "Building containing licensed premises" means the licensed premises themselves
22 and includes the land, tract of land, or parking lot in which the premises are
23 contained, and any part of any building connected by direct access or by an entrance
24 which is under the ownership or control of the licensee by lease holdings or
25 ownership;

26 (10) "Caterer" means a corporation, partnership, or individual that operates the business
27 of a food service professional by preparing food in a licensed and inspected

1 commissary, transporting the food and alcoholic beverages to the caterer's
 2 designated and inspected banquet hall or to a location selected by the customer, and
 3 serving the food and alcoholic beverages to the customer's guests;

4 (11) "Charitable organization" means a nonprofit entity recognized as exempt from
 5 federal taxation under section 501(c) of the Internal Revenue Code (26 U.S.C. sec.
 6 501(c)) or any organization having been established and continuously operating
 7 within the Commonwealth of Kentucky for charitable purposes for three (3) years
 8 and which expends at least sixty percent (60%) of its gross revenue exclusively for
 9 religious, educational, literary, civic, fraternal, or patriotic purposes;

10 (12) "Cider" means any fermented fruit-based beverage containing seven percent (7%)
 11 or more~~[than one-tenth of one percent (0.1%)]~~ alcohol by volume and includes
 12 hard cider and perry cider;

13 (13) "City administrator" means city alcoholic beverage control administrator;

14 (14) "Commercial airport" means an airport through which more than five hundred
 15 thousand (500,000) passengers arrive or depart annually;

16 (15) "Commissioner" means the commissioner of the Department of Alcoholic Beverage
 17 Control;

18 (16)~~[(15)]~~ "Convention center" means any facility which, in its usual and customary
 19 business, provides seating for a minimum of one thousand (1,000) people and offers
 20 convention facilities and related services for seminars, training and educational
 21 purposes, trade association meetings, conventions, or civic and community events
 22 or for plays, theatrical productions, or cultural exhibitions;

23 (17)~~[(16)]~~ "Convicted" and "conviction" means a finding of guilt resulting from a plea of
 24 guilty, the decision of a court, or the finding of a jury, irrespective of a
 25 pronouncement of judgment or the suspension of the judgment;

26 (18)~~[(17)]~~ "County administrator" means county alcoholic beverage control
 27 administrator;

- 1 ~~(19)~~~~(18)~~ "Department" means the Department of Alcoholic Beverage Control;
- 2 ~~(20)~~~~(19)~~ "Dining car" means a railroad passenger car that serves meals to consumers on
3 any railroad or Pullman car company;
- 4 ~~(21)~~~~(20)~~ "Distilled spirits" or "spirits" means any product capable of being consumed
5 by a human being which contains alcohol in excess of the amount permitted by
6 KRS Chapter 242 obtained by distilling, mixed with water or other substances in
7 solution, except wine, hard cider, and malt beverages;
- 8 ~~(22)~~~~(21)~~ "Distiller" means any person who is engaged in the business of manufacturing
9 distilled spirits at any distillery in the state and is registered in the Office of the
10 Collector of Internal Revenue for the United States at Louisville, Kentucky;
- 11 ~~(23)~~~~(22)~~ "Distillery" means any place or premises where distilled spirits are
12 manufactured for sale, and which are registered in the office of any collector of
13 internal revenue for the United States. It includes any United States government
14 bonded warehouse;
- 15 ~~(24)~~~~(23)~~ "Distributor" means any person who distributes malt beverages for the
16 purpose of being sold at retail;
- 17 ~~(25)~~~~(24)~~ "Dry" means a territory in which a majority of the electorate voted to prohibit
18 all forms of retail alcohol sales through a ~~by a KRS 242.050, KRS 242.125, or~~
19 ~~other~~ local option election held under KRS Chapter 242;
- 20 ~~(26)~~~~(25)~~ "Election" means:
- 21 (a) An election held for the purpose of taking the sense of the people as to the
22 application or discontinuance of alcoholic beverage sales under KRS Chapter
23 242; or
- 24 (b) Any other election not pertaining to alcohol;
- 25 ~~(27)~~~~(26)~~ "Field representative" means any employee or agent of the department who is
26 regularly employed and whose primary function is to travel from place to place for
27 the purpose of visiting taxpayers, and any employee or agent of the department who

1 is assigned, temporarily or permanently, by the commissioner to duty outside the
 2 main office of the department at Frankfort, in connection with the administration of
 3 alcoholic beverage statutes;

4 ~~(28)~~~~((27))~~ "Horse racetrack" means a facility licensed to conduct a horse race meeting
 5 under KRS Chapter 230;

6 ~~(29)~~~~((28))~~ "Hotel" means a hotel, motel, or inn for accommodation of the traveling
 7 public, designed primarily to serve transient patrons;

8 ~~(30)~~~~((29))~~ "License" means any license issued pursuant to KRS Chapters 241 to 244;

9 ~~(31)~~~~((30))~~ "Licensee" means any person to whom a license has been issued, pursuant to
 10 KRS Chapters 241 to 244;

11 ~~(32)~~~~((31))~~ "Limited restaurant" means:

12 (a) A facility where the usual and customary business is the serving of meals to
 13 consumers, which has a bona fide kitchen facility, which receives at least
 14 seventy percent (70%) of its gross ~~receipts~~~~[income]~~ from the sale of food,
 15 which maintains a minimum seating capacity of one hundred (100) persons for
 16 dining, and which is located in a wet or moist territory under KRS
 17 242.1244(2); or

18 (b) A facility where the usual and customary business is the serving of meals to
 19 consumers, which has a bona fide kitchen facility, which receives at least
 20 seventy percent (70%) of its gross ~~receipts~~~~[income]~~ from the sale of food,
 21 which maintains a minimum seating capacity of fifty (50) persons for dining,
 22 which has no open bar, which requires that alcoholic beverages be sold in
 23 conjunction with the sale of a meal, and which is located in a wet or moist
 24 territory under KRS 242.1244;

25 ~~(33)~~~~((32))~~ "Malt beverage" means any fermented undistilled alcoholic beverage of any
 26 name or description, manufactured from malt wholly or in part, or from any
 27 substitute for malt, and includes weak cider;

- 1 ~~(34)~~~~[(33)]~~ "Manufacture" means distill, rectify, brew, bottle, and operate a winery;
- 2 ~~(35)~~~~[(34)]~~ "Manufacturer" means a winery, distiller, rectifier, or brewer, and any other
3 person engaged in the production or bottling of alcoholic beverages;
- 4 ~~(36)~~~~[(35)]~~ "Minor" means any person who is not twenty-one (21) years of age or older;
- 5 ~~(37)~~~~[(36)]~~ "Moist" means a territory in which a majority of the electorate voted to permit
6 limited alcohol sales by any one (1) or a combination of special limited local option
7 elections authorized by KRS 242.123, 242.1238, 242.124, 242.1242, 242.1244, or
8 242.1292;
- 9 ~~(38)~~~~[(37)]~~ "Premises" means the land and building in and upon which any business
10 regulated by alcoholic beverage statutes is operated or carried on. "Premises" shall
11 not include as a single unit two (2) or more separate businesses of one (1) owner on
12 the same lot or tract of land, in the same or in different buildings if physical and
13 permanent separation of the premises is maintained, excluding employee access by
14 keyed entry and emergency exits equipped with crash bars, and each has a separate
15 public entrance accessible directly from the sidewalk or parking lot. Any licensee
16 holding an alcoholic beverage license on July 15, 1998 shall not, by reason of this
17 subsection, be ineligible to continue to hold his or her license or obtain a renewal,
18 of the license;
- 19 ~~(39)~~~~[(38)]~~ "Private club" means a nonprofit social, fraternal, military, or political
20 organization, club, or entity maintaining or operating a club room, club rooms, or
21 premises from which the general public is excluded;
- 22 ~~(40)~~~~[(39)]~~ "Public nuisance" means a condition that endangers safety or health, is
23 offensive to the senses, or obstructs the free use of property so as to interfere with
24 the comfortable enjoyment of life or property by a community or neighborhood or
25 by any considerable number of persons;
- 26 ~~(41)~~~~[(40)]~~ "Qualified historic site" means a contributing property with dining facilities
27 for at least fifty (50) persons at tables, booths, or bars where food may be served

1 within a commercial district listed in the National Register of Historic Places, or a
 2 site that is listed as a National Historic Landmark or in the National Register of
 3 Historic Places with dining facilities for at least fifty (50) persons at tables, booths,
 4 or bars where food may be served. Notwithstanding the provisions of this
 5 subsection:

- 6 (a) A distillery which is listed as a National Historic Landmark and which
 7 conducts souvenir retail package sales under KRS 243.0305; and
- 8 (b) A not-for-profit or nonprofit facility listed on the National Register of Historic
 9 Places;

10 shall be deemed a "qualified historic site" under this section;

11 ~~(42)~~~~[(41)]~~ "Rectifier" means any person who rectifies, purifies, or refines distilled spirits
 12 or wine by any process other than as provided for on distillery premises, and every
 13 person who, without rectifying, purifying, or refining distilled spirits by mixing
 14 alcoholic beverages with any materials, manufactures any imitations of or
 15 compounds liquors for sale under the name of whiskey, brandy, gin, rum, wine,
 16 spirits, cordials, bitters, or any other name;

17 ~~(43)~~~~[(42)]~~ "Repackaging" means the placing of alcoholic beverages in any retail
 18 container irrespective of the material from which the container is made;

19 ~~(44)~~~~[(43)]~~ "Restaurant" means a facility where the usual and customary business is the
 20 serving of meals to consumers, that has a bona fide kitchen facility, and that
 21 receives at least fifty percent (50%) of its food and beverage receipts from the sale
 22 of food;

23 ~~(45)~~~~[(44)]~~ "Retail container" means any bottle, can, barrel, or other container which,
 24 without a separable intermediate container, holds alcoholic beverages and is
 25 suitable and destined for sale to a retail outlet, whether it is suitable for delivery to
 26 the consumer or not;

27 ~~(46)~~~~[(45)]~~ "Retail outlet" means retailer, hotel, motel, restaurant, railroad dining car,

1 club, and any facility where alcoholic beverages are sold directly to the consumers;

2 ~~(47)~~~~((46))~~ "Retail sale" means any sale where delivery is made in Kentucky to any

3 consumers;

4 ~~(48)~~~~((47))~~ "Retailer" means any person who sells at retail any alcoholic beverage for the

5 sale of which a license is required;

6 ~~(49)~~~~((48))~~ "Riverboat" means any boat or vessel with a regular place of mooring in this

7 state that is licensed by the United States Coast Guard to carry one hundred (100) or

8 more passengers for hire on navigable waters in or adjacent to this state;

9 ~~(50)~~~~((49))~~ "Sale" means any transfer, exchange, or barter for consideration, and includes

10 all sales made by any person, whether principal, proprietor, agent, servant, or

11 employee, of any alcoholic beverage;

12 ~~(51)~~~~((50))~~ "Service bar" means a bar, counter, shelving, or similar structure used for

13 storing or stocking supplies of alcoholic beverages that is a workstation where

14 employees prepare alcoholic beverage drinks to be delivered to customers away

15 from the service bar. A service bar shall be located in an area where the general

16 public, guests, or patrons are prohibited;

17 ~~(52)~~~~((51))~~ "Sell" includes solicit or receive an order for, keep or expose for sale, keep

18 with intent to sell, and the delivery of any alcoholic beverage;

19 ~~(53)~~~~((52))~~ "Small farm winery" means a winery producing wines, in an amount not to

20 exceed fifty thousand (50,000) gallons in a calendar year;

21 ~~(54)~~~~((53))~~ "Souvenir package" means a special package of Kentucky straight bourbon

22 whiskey available for retail sale at a licensed Kentucky distillery where the whiskey

23 was produced or bottled that is available from a licensed retailer;

24 ~~(55)~~~~((54))~~ "State director" means the director of the Division of Distilled Spirits or the

25 director of the Division of Malt Beverages, or both, as the context requires;

26 ~~(56)~~~~((55))~~ "Supplemental bar" means a bar, counter, shelving, or similar structure used

27 for serving and selling distilled spirits or wine by the drink for consumption on the

1 licensed premises to guests and patrons from additional locations other than the
 2 main bar. A supplemental bar shall be continuously constructed and accessible to
 3 patrons for distilled spirits or wine sales or service without physical separation by
 4 walls, doors, or similar structures;

5 ~~(57)~~~~((56))~~ "Territory" means a county, city, district, or precinct;

6 ~~(58)~~~~((57))~~ "Vehicle" means any device or animal used to carry, convey, transport, or
 7 otherwise move alcoholic beverages or any products, equipment, or appurtenances
 8 used to manufacture, bottle, or sell these beverages;

9 ~~(59)~~~~((58))~~ "Warehouse" means any place in which alcoholic beverages are housed or
 10 stored;

11 ~~(60)~~ **"Weak cider" means any fermented fruit-based beverage containing more than**
 12 **one percent (1%) but less than seven percent (7%) alcohol by volume;**

13 ~~(61)~~~~((59))~~ "Wet" means a territory in which a majority of the electorate voted to permit
 14 all forms of retail alcohol sales by a local option election under KRS 242.050,
 15 242.125, or 242.1292 on the following question: "Are you in favor of the sale of
 16 alcoholic beverages in (name of territory)?";

17 ~~(62)~~~~((60))~~ "Wholesale sale" means a sale to any person for the purpose of resale;

18 ~~(63)~~~~((61))~~ "Wholesaler" means any person who distributes alcoholic beverages for the
 19 purpose of being sold at retail, but it shall not include a subsidiary of a manufacturer
 20 or cooperative of a retail outlet;

21 ~~(64)~~~~((62))~~ "Wine" means the product of the normal alcoholic fermentation of the juices
 22 of fruits, with the usual processes of manufacture and normal additions, and
 23 includes champagne and sparkling and fortified wine of an alcoholic content not to
 24 exceed twenty-four percent (24%) by volume. It includes sake, cider, hard cider,
 25 and perry cider and also includes preparations or mixtures vended in retail
 26 containers if these preparations or mixtures contain not more than fifteen percent
 27 (15%) of alcohol by volume. It **does not include weak cider**~~[includes eiders, perry,~~

1 or sake}; and

2 ~~(65)~~~~[(63)]~~ "Winery" means any place or premises in which wine is manufactured from
3 any fruit, or brandies are distilled as a by-product of wine or other fruit, or cordials
4 are compounded, except a place or premises that manufactures wine for sacramental
5 purposes exclusively.

6 ➔Section 2. KRS 242.123 is amended to read as follows:

7 (1) (a) To promote economic development and tourism in a county containing a wet
8 or moist city, with the exception of a moist territory in accordance with KRS
9 242.1292(1)~~[242.1292]~~, a local option election for the limited sale of
10 alcoholic beverages may be held in any precinct containing a nine (9) or an
11 eighteen (18) hole golf course that meets United States Golf Association
12 criteria as a regulation golf course, notwithstanding any other provisions of
13 the Kentucky Revised Statutes.

14 (b) A petition seeking a local option election under this section shall state "We
15 the undersigned registered voters hereby petition for an election under this
16 section on the following question: 'Are you in favor of the sale of alcoholic
17 beverages by the drink at (name of golf course) in the (name of precinct)?'".

18 (2) A local option election for the limited sale of alcoholic beverages held under
19 subsection (1) of this section shall be conducted in the same manner specified in
20 KRS 242.020 to 242.120, except that the form of the proposition to be voted upon
21 shall be "Are you in favor of the sale of alcoholic beverages by the drink at (name of
22 golf course) in the (name of precinct)?".

23 ➔Section 3. KRS 243.030 is amended to read as follows:

24 The following kinds of distilled spirits and wine licenses may be issued by the director of
25 the Division of Distilled Spirits, the fees for which shall be:

26 (1) Distiller's license:

27 (a) Class A, per annum\$3,090.00

1	<u>(b) Class B (craft distillery), per annum.....</u>	<u>\$1,000.00</u>
2	(2) Rectifier's license, per annum	\$2,580.00
3	(3) Winery license, per annum	\$1,030.00
4	(4) Small farm winery license, per annum	\$110.00
5	(a) Small farm winery off-premises retail license, per annum	\$30.00
6	(5) Wholesaler's license, per annum	\$2,060.00
7	(6) Quota retail package license, per annum	\$570.00
8	(7) Quota retail drink license, per annum.....	\$620.00
9	(8) Transporter's license, per annum	\$210.00
10	(9) Special nonbeverage alcohol license, per annum	\$60.00
11	(10) Special agent's or solicitor's license, per annum	\$30.00
12	(11) Bottling house or bottling house storage license,	
13	per annum	\$1,030.00
14	(12) Special temporary license, per event	\$90.00
15	(13) Special Sunday retail drink license, per annum	\$520.00
16	(14) Caterer's license, per annum	\$830.00
17	(15) Special temporary distilled spirits and wine	
18	auction license, per event	\$110.00
19	(16) Extended hours supplemental license, per annum	\$2,060.00
20	(17) Hotel in-room license, per annum	\$210.00
21	(18) Air transporter license, per annum	\$520.00
22	(19) Sampling license, per annum.....	\$110.00
23	(20) Replacement or duplicate license	\$25.00
24	(21) Entertainment destination license, per annum	\$7,730.00
25	(22) Limited restaurant license, per annum	\$780.00
26	(23) Limited golf course license, per annum	\$720.00
27	(24) Small farm winery wholesaler's license, per annum	\$110.00

- 1 (25) Qualified historic site license (includes distilled spirits, wine, and malt beverages by
2 the drink), per annum\$1,030.00
- 3 (26) Nonquota type 1 license, per annum\$4,120.00
- 4 (27) Nonquota type 2 license, per annum\$830.00
- 5 (28) Nonquota type 3 license, per annum\$310.00
- 6 (29) Distilled spirits and wine storage license, per annum\$620.00
- 7 (30) Out-of-state distilled spirits and wine supplier's license, per annum\$1,550.00
- 8 (31) Limited out-of-state distilled spirits and
9 wine supplier's license, per annum\$260.00
- 10 (32) Micro out-of-state distilled spirits and
11 wine supplier's license, per annum\$10.00
- 12 (33) A nonrefundable fee of sixty dollars (\$60) shall be charged to process each new
13 transitional license pursuant to KRS 243.045.
- 14 (34) Other special licenses the board finds necessary for the proper regulation and
15 control of the traffic in distilled spirits and wine and provides for by administrative
16 regulation. In establishing the amount of license taxes that are required to be fixed
17 by the board, it shall have regard for the value of the privilege granted.
- 18 (35) The fee for each of the first five (5) supplemental bar licenses shall be the same as
19 the fee for the primary retail drink license. There shall be no charge for each
20 supplemental license issued in excess of five (5) to the same licensee at the same
21 premises.
- 22 A nonrefundable application fee of fifty dollars (\$50) shall be charged to process each
23 new application under this section, except for subsections (4), (8), (9), (10), (12), (15),
24 (19), and (20) of this section. The application fee shall be applied to the licensing fee if
25 the license is issued; otherwise it shall be retained by the department.
- 26 ➔Section 4. KRS 243.033 is amended to read as follows:
- 27 (1) A caterer's license may be issued as a supplementary license to a caterer that holds a

1 quota retail package license, a quota retail drink license, an NQ1 license, an NQ2
2 license, or a limited restaurant license.

3 (2) The caterer's license may be issued as a primary license to a caterer in any wet
4 territory or in any moist territory~~[established]~~ under KRS 242.1244~~[242.125]~~ for
5 the premises that serves as the caterer's commissary and designated banquet hall. No
6 primary caterer's license shall be issued to a premises that operates as a restaurant.
7 The alcoholic beverage stock of the caterer shall be kept under lock and key at the
8 licensed premises during the time that the alcoholic beverages are not being used in
9 conjunction with a catered function.

10 (3) The caterer's license shall authorize the caterer to:

11 (a) Purchase and store alcoholic beverages in the manner prescribed in KRS
12 243.088, 243.250~~[, 243.280]~~, and 244.310;

13 (b) Transport, sell, serve, and deliver malt beverages by the drink at locations
14 away from the licensed premises or at the caterer's designated banquet hall in
15 conjunction with the catering of food and malt beverages for a customer and
16 his or her guests, in:

17 1. Cities and counties established as moist territory under KRS 242.1244 if
18 the receipts from the catering of food at any catered event are at least
19 seventy percent (70%) of the gross receipts from the catering of both
20 food and malt beverages; or

21 2. All other wet territory if the receipts from the catering of food at any
22 catered event are at least thirty-five percent (35%) of the gross receipts
23 from the catering of both food and malt beverages;

24 (c) Transport, sell, serve, and deliver distilled spirits and wine by the drink at
25 locations away from the licensed premises or at the caterer's designated
26 banquet hall in conjunction with the catering of food and alcoholic beverages
27 for a customer and his or her guests, in:

- 1 1. Cities and counties established as moist territory under KRS 242.1244 if
- 2 the receipts from the catering of food at any catered event are at least
- 3 seventy percent (70%) of the gross receipts from the catering of both
- 4 food and alcoholic beverages;
- 5 2. Cities of the fourth class and counties containing cities of the fourth
- 6 class established as wet~~[or moist]~~ territory permitting distilled spirits
- 7 and wine drink sales by ordinance under KRS 243.072 if the receipts
- 8 from the catering of food at any catered event are at least fifty percent
- 9 (50%) of the gross receipts from the catering of both food and alcoholic
- 10 beverages; or
- 11 3. All other wet territory in which the sale of distilled spirits and wine by
- 12 the drink is authorized if the receipts from the catering of food at any
- 13 catered event are at least thirty-five percent (35%) of the gross receipts
- 14 from the catering of both food and alcoholic beverages;
- 15 (d) Receive and fill telephone orders for alcoholic beverages in conjunction with
- 16 the ordering of food for a catered event; and
- 17 (e) Receive payment for alcoholic beverages served at a catered event on a by-
- 18 the-drink or by-the-event basis. The caterer may bill the host for by-the-
- 19 function sales of alcoholic beverages in the usual course of the caterer's
- 20 business.
- 21 (4) A caterer licensee shall not cater alcoholic beverages at locations for which retail
- 22 alcoholic beverage licenses or special temporary licenses have been issued. A
- 23 caterer licensee may cater a fundraising event for which a special temporary
- 24 distilled spirits and wine auction license has been issued under KRS 243.036.
- 25 (5) A caterer licensee shall not cater distilled spirits and wine on Sunday except in
- 26 territory in which the Sunday sale of distilled spirits and wine is permitted under the
- 27 provisions of KRS 244.290 and 244.295. A caterer licensee shall not cater malt

1 beverages on Sunday except in territory in which the Sunday sale of malt beverages
2 is permitted under the provisions of KRS 244.480.

3 (6) The location at which alcoholic beverages are sold, served, and delivered by a
4 caterer, pursuant to this section, shall not constitute a public place for the purpose of
5 KRS Chapter 222. If the location is a multi-unit structure, only the unit or units at
6 which the function being catered is held shall be excluded from the public place
7 provisions of KRS Chapter 222.

8 (7) The caterer licensee shall post a copy of his or her caterer's license at the location of
9 the function for which alcoholic beverages are catered.

10 (8) The name and license numbers of the caterer shall be painted or securely attached,
11 in a contrasting color, in a form prescribed by the board by promulgation of an
12 administrative regulation, upon all vehicles used by the caterer to transport
13 alcoholic beverages.

14 (9) All restrictions and prohibitions applying to a distilled spirits and wine quota retail
15 drink licensee not inconsistent with this section shall apply to the caterer licensee.

16 (10) The caterer licensee shall maintain records as set forth in KRS 244.150 and in
17 administrative regulations promulgated by the board.

18 ➔Section 5. KRS 243.034 is amended to read as follows:

19 (1) A limited restaurant license may be issued to an establishment meeting the criteria
20 established in subsection (32) of Section 1 of this Act~~[KRS 241.010(31)]~~ as long as
21 the establishment is within:

22 (a) Any wet territory; or

23 (b) Any moist precinct that has authorized the sale of alcoholic beverages under
24 KRS 242.1244.

25 (2) A limited restaurant license shall authorize the licensee to purchase, receive,
26 possess, and sell distilled spirits, wine, and malt beverages at retail by the drink for
27 consumption on the licensed premises. The licensee shall purchase distilled spirits,

1 wine, and malt beverages only from licensed wholesalers or distributors. The
 2 license shall not authorize the licensee to sell distilled spirits, wine, or malt
 3 beverages by the package.

- 4 (3) The holder of a limited restaurant license shall maintain at least seventy percent
 5 (70%) of its gross receipts~~[income]~~ from the sale of food and maintain the
 6 minimum applicable seating requirement required for the type of limited restaurant
 7 license.

- 8 (4) (a) A limited restaurant as defined by subsection (32)(b) of Section 1 of this
 9 Act~~[KRS 241.010(31)(b)]~~ shall:

- 10 1. Only sell distilled spirits, wine, and malt beverages incidental to the sale
 11 of a meal; and
- 12 2. Not have an open bar and shall not sell distilled spirits, wine, and malt
 13 beverages to any person who has not purchased or does not purchase a
 14 meal.

- 15 (b) Distilled spirits, wine, and malt beverages shall be deemed to be purchased in
 16 conjunction with a meal if the distilled spirits, wine, and malt beverages are
 17 served after the meal is ordered and no more than one-half (1/2) hour after the
 18 meal is completed.

19 ➔Section 6. KRS 243.042 is amended to read as follows:

- 20 (1) A qualified historic site license may be issued to any establishment meeting the
 21 criteria established in KRS 241.010 as long as the establishment is within:

- 22 (a) Any wet territory; or
- 23 (b) Any precinct that has authorized the sale of alcoholic beverages under KRS
 24 242.1242.

- 25 (2) A qualified historic site license shall authorize the licensee to:

- 26 (a) Sell distilled spirits, wine, and malt beverages by the drink at one (1) or more
 27 permanent or nonpermanent locations on the premises over which the

1 licensee, by lease or ownership, has exclusive control without obtaining
2 additional supplemental bar licenses prescribed by KRS 243.037;

3 (b) Sell distilled spirits, wine, and malt beverages by the drink to patrons at public
4 or private functions held on the premises; and

5 (c) Purchase and store alcoholic beverages in the manner prescribed in KRS
6 243.088, 243.250~~[-243.280]~~, and 244.310.

7 (3) Nothing in this section exempts the holder of a qualified historic site license from
8 the provisions of KRS Chapters 241, 242, 243, and 244, or from any rules of the
9 board as established by administrative regulations, except as expressly stated in this
10 section.

11 ➔Section 7. KRS 243.050 is amended to read as follows:

12 (1) Where it is determined by the department to be in the best interest of promoting
13 tourism, conventions, and the economic development of Kentucky or any part
14 thereof, the department may issue an extended hours supplemental license for the
15 retail sale of alcoholic beverages by the drink to the holder of an NQ1 retail drink
16 license~~[-or]~~ a qualified historic site license, or a license located in a commercial
17 airport. The department may, by administrative regulation or special conditions of
18 an extended hours supplemental license, establish the days when the supplemental
19 license will be valid, including Sundays after 1 p.m., and establish such restrictions
20 on the use of the license as will ensure that it will be primarily for the benefit of the
21 convention business, the horse racing industry, passengers at large commercial
22 airports and rail systems, the automobile racing industry, and qualified historic sites.

23 (2) (a) A licensee located in territory which has authorized Sunday retail distilled
24 spirits and wine drink sales under KRS 244.290 or 244.295, either by local
25 option election or by local government ordinance, shall obtain a Sunday retail
26 drink license in order to sell distilled spirits and wine on Sunday.

27 (b) A retail licensee holding a Sunday retail drink license is authorized to remain

open and sell distilled spirits and wine by the drink for consumption on the premises only during those times and hours permitted by local government ordinance.

➔Section 8. KRS 243.072 is amended to read as follows:

(1) This section shall apply to any wet city of the fourth class or county containing a wet city of the fourth class, notwithstanding any other provisions of this chapter relating to the sales of alcoholic beverages by the drink for consumption on the premises.

(2) Upon a determination by the legislative body that an economic hardship exists within the wet city or county and that the sale of alcoholic beverages by the drink could aid economic growth, the legislative body may enact a comprehensive, regulatory ordinance covering the licensing and operation of hotels, motels, inns, or restaurants for the sale of alcoholic beverages by the drink for consumption on the premises.

(3) Nonquota type 2 (NQ2) retail drink licenses authorizing all types of alcoholic beverage sales shall only be issued to hotels and restaurants having dining facilities for not less than fifty (50)~~[one hundred (100)]~~ persons.

(4) The city or county legislative body may provide for the issuance of any licenses permitted by KRS 243.060 or 243.070, or the issuance of any other reasonable administrative regulations as may be necessary for the enforcement or administration of this section, except that any administrative regulation adopted shall conform to the requirements of KRS 241.190.

➔Section 9. KRS 243.075 is amended to read as follows:

(1) Notwithstanding the provisions of KRS 243.060 and 243.070, in any city of the third or fourth class in which the discontinuance of prohibition is effective by virtue of a local option~~[that is wet or moist through an]~~ election held under KRS Chapter 242~~[242.125]~~, the governing body of the city and the governing body of the

1 county containing a city of the third or fourth class is authorized to impose a
 2 regulatory license fee upon the gross receipts of each establishment therein licensed
 3 to sell alcoholic beverages. The regulatory license fee may be levied at the
 4 beginning of each budget period at a percentage rate as shall be reasonably
 5 estimated to fully reimburse the local government for the estimated costs of any
 6 additional policing, regulatory, or administrative expenses related to the sale of
 7 alcoholic beverages in the city and county. The regulatory license fee shall be in
 8 addition to any other taxes, fees, or licenses permitted by law, except:

9 (a) A credit against a regulatory license fee in a city shall be allowed in an amount
 10 equal to any licenses or fees imposed by the city or county pursuant to KRS
 11 243.060 or 243.070; and

12 (b) In a county in which the city and county both levy a regulatory license fee, the
 13 county license fee shall only be applicable outside the jurisdictional
 14 boundaries of those cities which levy a license fee.

15 (2) Notwithstanding any limitations imposed on the city's or county's taxing or
 16 licensing power by KRS 243.060 or 243.070, a city or county that is moist through
 17 a local option election held under KRS 242.1244, or that issues licenses~~{qualifies}~~
 18 under KRS 243.072 may by ordinance impose a regulatory license fee upon the
 19 gross receipts of each establishment located therein and licensed to sell distilled
 20 spirits, wine, or malt beverages by the drink for consumption on the premises. The
 21 regulatory license fee may be levied annually at a rate as shall be reasonably
 22 estimated to fully reimburse the city or county for the estimated costs for any
 23 additional policing, regulatory, or administrative related expenses. The regulatory
 24 license fee shall be in addition to any other taxes, fees, or licenses permitted by law,
 25 but a credit against the fee shall be allowed in an amount equal to any licenses or
 26 fees imposed by the city or county pursuant to KRS 243.060 or 243.070.

27 ➔Section 10. KRS 243.082 is amended to read as follows:

1 (1) A "Nonquota type 1" or "NQ1" retail drink license may be issued to:

2 (a) A convention center or a convention hotel complex;

3 (b) A horse racetrack;

4 (c) An automobile racetrack;

5 (d) A railroad system; or

6 (e) A commercial airlines system or charter flight system.

7 (2) A qualifying convention center or a convention hotel complex, horse racetrack,
 8 or an automobile racetrack holding an NQ1 retail drink license may purchase,
 9 receive, possess, and sell distilled spirits, wine, and malt beverages at retail by the
 10 drink for consumption on the licensed premises. The license shall permit all
 11 distilled spirits, wine, or malt beverage sales on the premises without additional
 12 supplemental licenses. The licensee shall purchase distilled spirits, wine, or malt
 13 beverages only from licensed wholesalers or distributors. The holder of an NQ1
 14 retail drink license under this section shall comply with the requirements of
 15 Section 16 of this Act. An NQ1 retail drink license held under this section shall
 16 not authorize the licensee to sell distilled spirits, wine, or malt beverages by the
 17 package.

18 (3) Notwithstanding any other law, a qualifying convention center or a convention
 19 hotel complex holding an NQ1 retail drink license may also hold a supplemental
 20 hotel in-room service license.

21 (4) A qualifying railroad system holding an NQ1 retail drink license may purchase,
 22 receive, possess, and sell distilled spirits, wine, and malt beverages at retail by the
 23 drink or by the package, upon any train that includes a dining car and is operated
 24 by the licensee in the state. Sales shall be made only while the train is in motion.
 25 Notwithstanding any other law, a railroad system holding an NQ1 retail drink
 26 license may sell alcoholic beverages in unbroken packages smaller than two
 27 hundred (200) milliliters of distilled spirits and one hundred (100) milliliters of

1 wine and may purchase alcoholic beverages from nonresidents.

2 (5) A qualifying commercial airlines system or charter flight system holding an NQ1
 3 retail drink license may purchase, receive, possess, and sell distilled spirits, wine,
 4 and malt beverages at retail by the drink, and by miniature bottle, for
 5 consumption upon regularly scheduled or charter flights of the licensee, in and
 6 out of Kentucky. The license shall authorize the licensee to store distilled spirits,
 7 wine, and malt beverages for retail sale at a location or locations, if operating
 8 from more than one (1) airport in Kentucky, as designated on the license
 9 application.

10 ~~{(2) (a) The department may issue an NQ1 retail drink license to a railroad company~~
 11 ~~operating a railroad system in the state upon the payment of the required fee.~~
 12 ~~This license tax shall be in lieu of all license and excise taxes which would~~
 13 ~~otherwise be due by the holder in connection with the retailing of distilled~~
 14 ~~spirits, wine, and malt beverages.~~

15 ~~(b) Notwithstanding KRS Chapter 242, an NQ1 retail drink issued to a railroad~~
 16 ~~system shall authorize the holder to sell distilled spirits, wine, and malt~~
 17 ~~beverages at retail by the drink or by the package upon any train, that includes~~
 18 ~~a dining car, operated by the licensee in the state. Sales shall be made only~~
 19 ~~while the train is in motion. Notwithstanding any other law, holders of such~~
 20 ~~licenses may retail alcoholic beverages in unbroken packages smaller than two~~
 21 ~~hundred (200) milliliters of distilled spirits and one hundred (100) milliliters~~
 22 ~~of wine and may purchase alcoholic beverages from nonresidents.~~

23 ~~(3) (a) The department may issue an NQ1 retail drink license to a commercial airlines~~
 24 ~~system or charter flight system upon the payment of the required fee. This~~
 25 ~~license fee shall be in lieu of all license and excise taxes which would~~
 26 ~~otherwise be due by the holder in connection with the retailing of distilled~~
 27 ~~spirits, wine, or malt beverages, and the license may be renewed annually.~~

1 ~~(b) An NQ1 retail drink license issued to a commercial airlines system or charter~~
 2 ~~flight system shall authorize the holder to sell distilled spirits and wine by the~~
 3 ~~drink and by miniature bottle, and malt beverages, upon regularly scheduled~~
 4 ~~or charter flights of the licensee, in and out of Kentucky. The license shall~~
 5 ~~authorize the licensee to store distilled spirits, wine, and malt beverages for~~
 6 ~~retail sale at a location or locations, if operating from more than one (1)~~
 7 ~~airport in Kentucky, as designated on the license application.~~

8 ~~(4) An NQ1 retail drink license issued to a convention center or convention hotel~~
 9 ~~complex shall authorize the retail sale of distilled spirits, wine, and malt beverages~~
 10 ~~for consumption on the premises of the convention center or hotel. The license shall~~
 11 ~~permit all distilled spirits, wine, or malt beverage sales on the premises without~~
 12 ~~additional supplemental licenses, except that a separate hotel in-room service~~
 13 ~~license shall be required, where applicable. An NQ1 retail drink license issued to a~~
 14 ~~convention center or convention hotel complex license shall not be transferable to~~
 15 ~~other premises. This subsection shall not apply to an NQ1 retail drink license issued~~
 16 ~~to or renewed for a convention center, other than those in a city of the first class or a~~
 17 ~~county containing a city of the first class or a consolidated local government, if the~~
 18 ~~original license was issued prior to July 15, 1998.~~

19 ~~(5) An NQ1 retail drink license issued to an automobile racetrack shall authorize the~~
 20 ~~holder to sell distilled spirits, wine, and malt beverages by the drink for~~
 21 ~~consumption on the premises of an automobile racetrack. The license permits all~~
 22 ~~distilled spirits, wine, and malt beverage sales on the premises without additional~~
 23 ~~supplemental licenses.~~

24 ~~(6) An NQ1 retail drink license issued to a horse racetrack shall authorize the holder to~~
 25 ~~sell distilled spirits, wine, and malt beverages by the drink for consumption on the~~
 26 ~~premises of a horse racetrack. The license permits all distilled spirits, wine, or malt~~
 27 ~~beverage sales on the premises without additional supplemental licenses.]~~

1 ➔Section 11. KRS 243.084 is amended to read as follows:

2 (1) A "Nonquota type 2" or "NQ2" retail drink license may be issued to:

3 (a) A hotel that:

4 1. Contains at least fifty (50) sleeping units;

5 2. Contains dining facilities for at least fifty (50)~~[one hundred (100)]~~
6 persons; and

7 3. Receives from its total food and beverage sales at least fifty percent
8 (50%) of its gross receipts from the sale of food;

9 (b) A restaurant with a minimum seating for fifty (50) consumers at tables;

10 (c) An airport; or

11 (d) A riverboat.

12 (2) A qualifying hotel, restaurant~~[with seating for at least one hundred (100)~~
13 ~~consumers at tables]~~, airport, or riverboat holding an NQ2 retail drink license may
14 purchase, receive, possess, and sell distilled spirits, wine, and malt beverages at
15 retail by the drink for consumption on the licensed premises. The licensee shall
16 purchase distilled spirits, wine, or malt beverages only from licensed wholesalers or
17 distributors. An NQ2 retail drink license shall not authorize the licensee to sell
18 distilled spirits, wine, or malt beverages by the package. The holder of an NQ2
19 retail drink license shall comply with the requirements of KRS 243.250.

20 (3)~~[A restaurant holding an NQ2 retail drink license which has seating for more than~~
21 ~~fifty (50) but less than one hundred (100) consumers at tables may only purchase,~~
22 ~~receive, possess, and sell wine and malt beverages at retail by the drink for~~
23 ~~consumption on the licensed premises. The licensee shall purchase wine and malt~~
24 ~~beverages only from licensed wholesalers or distributors. An NQ2 license shall not~~
25 ~~authorize the licensee to sell wine and malt beverages by the package.~~

26 (4)] (a) A riverboat holding an NQ2 license may sell distilled spirits, wine, and malt
27 beverages at retail by the drink for consumption on the premises of the

1 riverboat. The riverboat shall have a regular place of mooring in a wet county
2 or city of this state.

3 (b) A riverboat that has a regular place of mooring outside this state, may be
4 licensed if the boat has an alternative regular place of mooring that qualifies
5 under paragraph (a) of this subsection.

6 (c) An NQ2 license issued under this subsection shall not be transferable to
7 another riverboat, vessel, or other premises.

8 (d) If a riverboat moors or makes landfall in a location other than its regular or
9 alternate regular place of mooring, all distilled spirits, wine, and malt
10 beverages shall be kept locked.

11 (e) A riverboat licensed under this subsection shall not take on or discharge
12 passengers when mooring or making landfall in dry option territory.

13 (f) A riverboat NQ2 licensee shall comply with the license restrictions governing
14 licensed premises in the regular place of mooring or alternative place of
15 mooring.

16 **(4) An NQ2 retail drink license shall not be issued to any restaurant or any dining**
17 **facility in a hotel, unless the applicant can demonstrate to the director or**
18 **administrator that gross receipts of the restaurant or the dining facility from the**
19 **sale of food for consumption on the premises is reasonably estimated to be not**
20 **less than fifty percent (50%) of the total food and alcoholic beverage receipts of**
21 **the restaurant or dining facility for the license period.**

22 ➔Section 12. KRS 243.120 is amended to read as follows:

23 **(1)** A distiller's, rectifier's, or winery license shall authorize the licensee to engage in
24 the business of distiller, rectifier, or winery at the premises specifically designated
25 in the license, to maintain aging warehouses, and to transport for himself or herself
26 only any alcoholic beverage which he or she is authorized under the license to
27 manufacture or sell. The licensee shall transport alcoholic beverages only by a

vehicle operated by himself or herself, which has affixed to its sides at all times a sign of form and size prescribed by the state board, containing among other things the name and license number of the licensee. No distilled spirits or wine shall be transported on the same truck or vehicle with malt beverages, except by a common carrier, unless the owner of the truck or vehicle holds a distributor's license.

(2) (a) Distillers that produce more than fifty thousand (50,000) gallons of distilled spirits per calendar year at the premises shall obtain a distiller's license,

Class A.

(b) Distillers that produce fifty thousand (50,000) gallons or less of distilled spirits per calendar year at the premises shall obtain a distiller's license,

Class B (craft distillery).

→ Section 13. KRS 243.170 is amended to read as follows:

(1) A wholesaler may sell, deliver, and transport distilled spirits and wine at wholesale, and from the licensed premises only, to:

(a) Other wholesalers;

(b) Retailers; or

(c) A point out of the state to persons authorized by the law of the state of their residence, and by the United States government if located in the United States, to receive the distilled spirits and wine.

(2) A wholesaler may purchase distilled spirits and wine at wholesale from licensed distillers, rectifiers, wineries, or other wholesalers and from nonresidents authorized by the law of the states of their residence, and by the United States government if located in the United States, to make the sales. A wholesaler may not transport distilled spirits and wine from any point to his or her own licensed premises, except as provided in subsection (12){(2)} of KRS 243.200.

(3) No wholesaler shall sell or contract to sell, give away, or deliver any distilled spirits or wine to any person in Kentucky who is not licensed to receive, possess,

1 distribute, or sell distilled spirits and wine, and no wholesaler shall sell or contract
 2 to sell, give away, or deliver any distilled spirits or wine to any consumer. This
 3 section does not permit sales or deliveries of distilled spirits in Kentucky by
 4 licensed wholesalers to nonresidents who are not licensed by their own states.

- 5 (4) A wholesaler may extend credit on distilled spirits and wine sold to retail licensees
 6 for a period not to exceed thirty (30) days from the date of invoice, with the date of
 7 invoice included in the total number of days. When the thirty (30) day period has
 8 passed without payment in full, no wholesaler shall sell to the licensee except for
 9 cash on delivery.

10 ➔Section 14. KRS 243.200 is amended to read as follows:

- 11 (1) (a) A transporter's license may be issued as a primary license to a person
 12 engaged in business as a common carrier. A transporter's licensee may
 13 transport alcoholic beverages to or from the licensed premises of any
 14 licensee under this chapter if both the consignor and consignee in each case
 15 are authorized by the law of the states of their residence to sell, purchase,
 16 ship, or receive the alcoholic beverages.

- 17 (b) A transporter's license shall be issued only to persons authorized by proper
 18 certificate from the Department of Vehicle Regulation to engage in the
 19 business of a common carrier. Holders of a transporter's license issued
 20 under this section may transport alcoholic beverages in Kentucky only in
 21 conformity with the provisions of their common carrier certificate issued by
 22 the Transportation Cabinet. Such licensees are specifically prohibited from
 23 transporting alcoholic beverages anywhere within the state except upon the
 24 route authorized by their respective common carrier certificates.

- 25 (2) (a) No person, firm, or corporation operating motor vehicles for hire over the
 26 highways of this state, under authority of a Certificate of Convenience and
 27 Necessity issued by the Transportation Cabinet, covering the same territory

1 or highways designated in the certificate as irregular common carrier
2 issued by the Interstate Commerce Commission shall be authorized or
3 permitted to transport any alcoholic beverages in this state until the carrier
4 has procured an appropriate transporter's license from the department, and
5 filed with the department a statement of the proposed route of the territory
6 over which the carrier proposes to transport alcoholic beverages.

7 (b) The statement of route shall be accompanied by an exhibit consisting of a
8 Kentucky road map with the proposed route clearly indicated by suitable
9 marking.

10 (c) The proposed route shall be restricted to designated federal highways except
11 as to access side roads to distilleries and terminals. The side roads shall be
12 the nearest and most traveled route from the distillery to the designated
13 federal highway, and shall be no more than seven (7) miles from the federal
14 highway.

15 (d) When the carrier has obtained a transporter's license for distilled spirits
16 and wine from the department for transportation over designated routes,
17 pursuant to a regular common carrier certificate, no additional license shall
18 be required upon filing of the designated routes and exhibit required under
19 this section.

20 (e) The license shall be issued to a person legally transporting alcoholic
21 beverages to allow transportation of the beverages over numbered Kentucky
22 state highways, or officially prescribed detours from those highways.

23 (3) A transporter's license may be issued to a steam, diesel, or gasoline boatline,
24 desiring to haul alcoholic beverages in barrels or in unbroken case lots, if it
25 maintains published river-rail rates, but licensees shall not be restricted to routes
26 covered by such river-rail rates.

27 (4) A transporter's license may be issued as a primary or supplementary license to

1 any nonresident distiller, winery, or wholesaler who is authorized by the state of
2 his or her residence and the federal government to receive and transport distilled
3 spirits and wine. The nonresident licensee may transport for himself or herself
4 only, distilled spirits and wine from the licensed premises of a Kentucky
5 manufacturer, distiller, winery, or rectifier to the transporter's licensed premises
6 only, and beverages on which the Kentucky tax has been paid may be transported
7 from the licensed premises of a nonresident distiller, winery, or rectifier to
8 wholesaler licensees within the Commonwealth of Kentucky, if he or she
9 transports the alcoholic beverages in a truck or other vehicle owned and operated
10 by a nonresident licensee. Each truck or vehicle shall have affixed to its side a
11 sign in uniform letters of at least three (3) inches high containing the name of the
12 company and the state and federal permit numbers for the vehicles.

13 (5) An application for a transporter's license shall include a statement that the
14 applicant, if granted a license, will allow any authorized field representative of
15 the department to stop and examine the cargo of any truck or vehicle in which
16 alcoholic beverages are being transported within the boundaries of the
17 Commonwealth of Kentucky.

18 (6) All persons or entities holding a transporter's license shall be required to file
19 reports with the Department of Revenue on or before the fifteenth of each month,
20 covering the preceding month's transactions. Only one (1) report may be
21 submitted to cover each unit shipment of alcoholic beverages transported into
22 and from the state. Each Department of Revenue report shall show the state
23 license number, the name and address of consignor and consignee, shipping date,
24 delivery date, number of cases according to size contained in each shipment, and
25 shall be signed by an official of the company handling the shipment.

26 (7) A transporter's license may be issued as a primary license to a person or entity
27 wishing to transport distilled spirits and wine through this state over the public

highways. A transporter's license authorizes the holder to transport distilled spirits and wine during the period of the license. The driver of a vehicle so transporting shall be in the possession of a copy of the license and bills of lading, consignment, or other evidence of ownership of the cargo which tally with the cargo. Failure of the driver to be in possession of these documents shall be prima facie evidence of illegal trafficking. The transporting of distilled spirits and wine without a transporter's license shall subject the offending party to the penalties established in KRS 243.990.

(8) A transporter's license may be issued as a primary license to a person wishing to transfer distilled spirits or wine from a licensed transporter to one (1) truck from another. The licensee may receive from and tender to transporters duly licensed under this section those distilled spirits and wine consigned to licensees under KRS 243.020, in the Commonwealth of Kentucky.

(9) (a) A transporter's license may be issued as a primary license to a person or entity wishing to export malt beverages from the licensed premises of a Kentucky brewer or from the warehouse of a licensed Kentucky distributor, or from another state, through Kentucky. A transporter's license may be issued to an applicant who holds a beer wholesaler or distributor's license issued by the state into which malt beverages are to be transported, or who is licensed by the state to transport those malt beverages.

(b) Applicants for the transporter's license under this subsection, and their employees, may be exempt from the residence requirements of KRS 243.100 and 244.090.

(c) A transporter's license shall authorize the holder to transport malt beverages from the licensed premises of a Kentucky brewer or from the warehouse of the licensed Kentucky distributor, or from another state, through Kentucky, if the licensee transports the malt beverages in a truck or

1 other vehicle carrying a transporter's license and owned and operated by its
 2 employees.

3 (10) A transporter's license may be issued as a primary or supplemental license to a
 4 person, except a retailer, wishing to transport malt beverages for hire. A
 5 transporter's license shall authorize the licensee to transport malt beverages for
 6 hire to or from the licensed premises of any licensee, except retailers, if both the
 7 consignor and consignee in each case are authorized by the law of the states of
 8 their residence to sell, purchase, ship, or receive the malt beverages. A
 9 transporter licensee may transport malt beverages for hire to or from the licensed
 10 premises of any licensee under KRS 243.040 in counties containing a population
 11 of less than forty thousand (40,000) if both the consignor and consignee in each
 12 case are authorized by the laws of the states of their residence to sell, purchase,
 13 ship, or receive the malt beverages.

14 (11) No person except a railroad company or railway express company shall transport or
 15 cause to be transported any distilled spirits or wine, unless expressly authorized to
 16 do so by law.

17 (12){(2)} Distilled spirits and wine may be transported by the holder of any license
 18 authorized to transport distilled spirits and wine to and from express or freight
 19 depots and the licensee's premises.

20 (13){(3)} A licensed alcoholic beverage store operator may move, within the same
 21 county, alcoholic beverages from one of the operator's licensed stores to another
 22 without a transporter's license. However, the licensed store operator shall keep and
 23 maintain, in one (1) of his or her stores in that county, adequate books and records
 24 of the transactions involved in transporting alcoholic beverages from one (1)
 25 licensed store to another in accordance with standards established in administrative
 26 regulations promulgated by the board. The records shall be available to the
 27 department and the Department of Revenue upon request.

1 ~~(14)~~~~(4)~~ Distilled spirits and wine may be transported by any licensed retailer selling
 2 distilled spirits or wine, by the package or by the drink, from the premises of a
 3 licensed wholesaler to the licensed premises of the retail licensee. Any retailer
 4 transporting alcoholic beverages under this subsection shall do so in a vehicle
 5 marked in conformity with administrative regulations of the department. Both the
 6 wholesaler and the retailer engaging in activity under this subsection shall be
 7 responsible for maintaining records documenting the transactions.

8 ➔ Section 15. KRS 243.230 is amended to read as follows:

9 (1) Quota retail drink licenses~~[and NQ2 retail drink licenses]~~ may be issued only for
 10 premises located within cities of the first, second, or third class, or elsewhere in
 11 counties containing a city of the first, second, or third class if those counties
 12 maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

13 ~~(2)[Notwithstanding subsection (1) of this section, an NQ2 retail drink license may be~~
 14 ~~issued to a restaurant with seating for fifty (50) patrons at tables in any wet territory,~~
 15 ~~but a license issued under this subsection shall only have the privileges of a license~~
 16 ~~issued under KRS 243.084(3).~~

17 ~~(3)]~~ Notwithstanding subsection (1) of this section, quota retail drink licenses~~[and NQ2~~
 18 ~~retail drink licenses]~~ may be issued for premises located within a city of the fourth
 19 class in which the majority of votes cast in the most recent election held under KRS
 20 242.127 and 242.129 were in favor of the proposition voted upon if the city has an
 21 adequate police force under KRS 95.710 and 95.760 to 95.787.

22 ~~(3)~~~~(4)~~ Notwithstanding subsection (1) of this section, NQ2 retail drink licenses may
 23 be issued to qualifying premises located within a city of the fourth class, or in a
 24 county containing a city of the fourth class, if the city or county has enacted an
 25 economic hardship ordinance under KRS 243.072.

26 ~~(4)~~~~(5)~~ Quota retail package licenses may be issued only for premises located within
 27 incorporated cities, or elsewhere in counties containing a city of the first, second, or

third class if those counties maintain an adequate police force under KRS 70.540 and 70.150 to 70.170.

~~(5)~~~~(6)~~ Notwithstanding subsection ~~(4)~~~~(5)~~ of this section, the department may, after a field investigation, issue a quota retail package license to premises not located within any city if:

(a) Substantial aggregations of population would otherwise not have reasonable access to a licensed vendor;

(b) The premises to be licensed under this subsection shall be used exclusively for the sale of distilled spirits and wine by the package and malt beverages, where applicable, and shall not be used in any manner, in connection with a dance hall, roadhouse, restaurant, store, or any other commercial enterprise, except as a drug store in which a registered pharmacist is employed.

~~(6)~~~~(7)~~ No quota retail package license or quota retail drink license for the sale of distilled spirits or wine shall be issued for any premises used as or in connection with the operation of any business in which a substantial part of the commercial transaction consists of selling at retail staple groceries or gasoline and lubricating oil.

➔Section 16. KRS 243.250 is amended to read as follows:

A quota retail drink license shall authorize the licensee to purchase, receive, possess, and sell distilled spirits and wine at retail by the drink for consumption on the licensed premises. The licensee shall purchase distilled spirits and wine only from licensed wholesalers, and unless he or she also holds a quota retail package license, he or she shall not buy or possess distilled spirits or wine in containers smaller than two hundred (200) milliliters. A licensee may purchase wine in containers not smaller than one hundred (100) milliliters if the wine does not exceed fourteen percent (14%) alcohol by volume and the quota retail drink license is held by a restaurant or private club which receives a minimum of fifty percent (50%) of its food and beverage receipts~~income~~ from the sale

1 of food and has a minimum seating capacity of fifty (50) people at tables. A licensee may
 2 buy mixed drinks in containers of a capacity not smaller than three hundred fifty-five
 3 (355) milliliters if the mixed drinks contain a substantial proportion of carbonated water.
 4 A quota retail drink license shall not authorize the licensee to sell distilled spirits or wine
 5 by the package. The holder of a quota retail drink license may also hold a NQ4 retail malt
 6 beverage drink license.

7 ➔Section 17. KRS 243.320 is amended to read as follows:

8 (1) A special nonbeverage alcohol license shall authorize the holder to purchase alcohol
 9 for nonbeverage purposes only from the holder of a distiller's license, wholesaler's
 10 license, or distributor's license and possess alcohol for use in the manufacture and
 11 sale of any of the following products, when they are unfit for beverage purposes:

12 (a) Denatured alcohol produced, and sold pursuant to Acts of Congress and
 13 regulations promulgated thereunder;

14 (b) Patent, proprietary, medicinal, pharmaceutical, antiseptic, and toilet
 15 preparations;

16 (c) Flavoring extracts, syrups, and food products; and

17 (d) Scientific, chemical, mechanical, and industrial products.

18 (2) KRS Chapter 242 shall not prevent the issuance of special nonbeverage alcohol
 19 licenses to persons located in dry or moist territory nor prevent licensees from
 20 exercising the privileges granted in the license.

21 (3) A special nonbeverage alcohol license may also be issued to any duly authorized
 22 and bona fide hospital, museum, laboratory, charitable, educational, or similar
 23 public or private institution, to a drug store employing a licensed pharmacist, or to a
 24 licensed physician. The license shall authorize the licensee to purchase or possess
 25 alcohol and to use it only for nonbeverage purposes.

26 (4) The holder of a special nonbeverage alcohol license may produce, possess, and use
 27 alcohol in the manufacture of nonbeverage fuel ethanol if the holder also holds a

1 basic permit from the applicable federal agency authorizing ethanol production.

2 ➔Section 18. KRS 243.353 is amended to read as follows:

3 (1) A malt beverage storage license may be issued as a supplementary license to a
4 distributor's license, a nonquota retail malt beverage package license, or a Nonquota
5 type 4[~~license, or a~~] retail malt beverage drink license. A malt beverage storage
6 license may also be issued as a primary or supplementary license in conformity with
7 administrative regulations promulgated by the department.

8 (2) The holder of a malt beverage storage license may:

9 (a) Store malt beverages at the storage licensed premises convenient to his or her
10 regular retail malt beverage licensed premises;

11 (b) Transport the malt beverages as belonging to the holder of the license to and
12 from the warehouse by way of the nearest route to his or her regular licensed
13 retail malt beverage premises, if the licensee sells no malt beverages except at
14 his or her regular malt beverage licensed premises;

15 (c) Transport and store malt beverages belonging to the distributor to, from, and
16 at the storage licensed premises; and

17 (d) Conduct business as authorized by the department through the promulgation
18 of administrative regulations.

19 (3) The malt beverage administrator may issue a temporary storage license to a licensed
20 distributor for storage of malt beverages if there is an emergency. The malt
21 beverage administrator shall have sole discretion to determine the existence of any
22 emergency.

23 ➔Section 19. KRS 243.360 is amended to read as follows:

24 (1) Any person, corporation, partnership, or any other entity, except an applicant for the
25 same license for the same premises, or an applicant for an out-of-state malt
26 beverage supplier's license, limited out-of-state malt beverage supplier's license,
27 out-of-state distilled spirits and wine supplier's license, limited out-of-state distilled

spirits and wine supplier's license, micro out-of-state distilled spirits and wine supplier's license, supplemental bar license, extended hours supplemental license, a special agent or solicitor's license, a special nonbeverage alcohol license~~[bonded warehouse license, a freight forwarding license, a storage warehouse license, an industrial alcohol license, a nonindustrial alcohol license, a storage warehouse license, a nonbeverage license, a vendor license]~~, a transporter's license, a special Sunday drink license, or a special temporary drink license shall, before applying for a license under KRS 243.030 and 243.040, advertise by publication under KRS 424.130(1)(b) his or her intention to apply for a license.

(2) The notice shall conform in all material respects to the following requirements:

(a) The notice shall state: the name and address of the applicant if the applicant is an individual, the name and address of each partner and the name of the business and its address if the applicant is a partnership, and the name and address of each principal officer and director and the name and business address of the corporation if the applicant is a corporation;

(b) The notice shall specifically state the location of the premises for which the license is sought and the type of license being requested; and

(c) The notice shall state the date the application will be filed and shall contain the following statement: "Any person, association, corporation, or body politic may protest the granting of the license by writing the Department of Alcoholic Beverage Control, 1003 Twilight Trail,~~[Suite A-2,]~~ Frankfort, Kentucky 40601, within thirty (30) days of the date of legal publication."

(3) Any protest received after the thirty (30) day period has expired shall not be considered a valid legal protest by the board.

➔Section 20. KRS 243.380 is amended to read as follows:

(1) Applications for distilled spirit and wine licenses provided for in KRS Chapters 241 to 244 shall be made to the director of the Division of Distilled Spirits. Applications

for malt beverage licenses provided for in KRS Chapters 241 to 244 shall be made to the director of the Division of Malt Beverages. Applications for distilled spirits, wine, and malt beverage licenses provided for in KRS Chapters 241 to 244 shall be made to the director of the Division of Distilled Spirits and to the director of the Division of Malt Beverages.

(2) All applications shall be on forms furnished by the department. They shall be verified and shall set forth in detail all information concerning the applicant and the premises submitted for licensing as the board requires by administrative regulation. Each application shall be accompanied by payment. Payment of the license fee may be by certified check, ~~cash,~~ a postal or express money order, or any other method of payment approved in writing by both the Finance and Administration Cabinet and the Office of the State Treasurer. Promptly upon receipt of the payment the board shall pay it into the State Treasury, giving the Department of Revenue copies of the pay-in vouchers and any other supporting data as the Department of Revenue requires for revenue control purposes.

(3) A business entity that owns more than two (2) licensed premises shall initially submit common information about ownership, officers, directors, managerial employees, and shall provide current criminal background checks once for all separately licensed premises in one (1) master file. Any business qualifying under this subsection shall only be required to amend its master file information for material changes under KRS 243.390(2) or ownership transfers under KRS 243.630.

➔Section 21. KRS 244.125 is amended to read as follows:

(1) Except as provided in subsection (3) of this section, no person shall be in possession of a loaded, as defined in KRS 237.060, firearm while actually within the room where alcoholic beverages are being sold by the drink of a building on premises licensed to sell distilled spirits and wine at retail by the drink for

1 consumption on the licensed premises pursuant to KRS Chapter 243.

2 (2) This section shall not apply to the owner manager, or employee of licensed
3 premises, law enforcement officers, or special local peace officers commissioned
4 pursuant to KRS 61.360.

5 (3) This section shall not apply to a bona fide restaurant open to the general public
6 having dining facilities for not less than fifty (50) persons and which receives less
7 than fifty percent (50%) of its annual food and beverage receipts~~[income]~~ from the
8 dining facilities by the sale of alcohol.

9 (4) Nothing in this section shall be construed as permitting the carrying of a concealed
10 deadly weapon in violation of KRS 527.020.

11 (5) Any firearm possessed in violation of this section shall be subject to forfeiture and
12 shall be disposed of pursuant to KRS 237.090.

13 ➔Section 22. KRS 244.290 is amended to read as follows:

14 (1) (a) A premises that is licensed to sell distilled spirits or wine at retail shall be
15 permitted to remain open during the hours the polls are open on any primary,
16 or regular, local option, or special election day unless it is located where the
17 legislative body of a city of the first, second, third, or fourth class or an urban-
18 county government, consolidated local government, charter county
19 government, unified local government, or the fiscal court of a county
20 containing a city of the first, second, third, or fourth class adopts an ordinance
21 that prohibits the sale of distilled spirits and wine or limits the hours and times
22 in which distilled spirits and wine may be sold within its jurisdictional
23 boundaries on any primary, or regular, local option, or special election day
24 during the hours the polls are open.

25 (b) This subsection shall only apply in a wet or moist territory~~[where prohibition~~
26 ~~is no longer in effect in whole or in part]~~.

27 (c) Notwithstanding any other provision of the Kentucky Revised Statutes to the

1 contrary, the fiscal court of a county containing a city of the first, second,
2 third, or fourth class shall not by ordinance or any other means:

3 1. Supersede, reverse, or modify any decision made pursuant to this
4 subsection by the legislative body of a city of the first, second, third, or
5 fourth class within that county; or

6 2. Impose an action upon a city of the first, second, third, or fourth class
7 within that county when that city has taken no formal action pursuant to
8 this subsection.

9 (2) In any county containing a city of the first or second class in which the sale of
10 distilled spirits and wine by the drink is permitted under KRS Chapter 242, an
11 election on the question of permitting the sale of distilled spirits and wine by the
12 drink on Sunday may be held as provided in KRS Chapter 242.

13 (3) Except as provided in KRS 243.050, a premise for which there has been granted a
14 license for the sale of distilled spirits or wine at retail by the drink or by the package
15 shall not remain open for any purposes between midnight and 6 a.m. or at any time
16 during the twenty-four (24) hours of a Sunday, unless:

17 (a) The licensee provides a separate locked department in which all stocks of
18 distilled spirits and wine are kept during those times; or

19 (b) The legislative body of a city of the first, second, third, or fourth class or an
20 urban-county government, consolidated local government, charter county
21 government, unified local government, or the fiscal court of a county
22 containing a city of the first, second, third, or fourth class, has otherwise
23 established the hours and times in which distilled spirits and wine may be sold
24 within its jurisdictional boundaries.

25 (4) In any county containing a city of the first, second, or third class or any city located
26 therein in which the sale of distilled spirits and wine is permitted under KRS
27 Chapter 242, the legislative body of the city or county may, by ordinance, permit the

1 sale of distilled spirits and wine by the drink on Sunday from 1 p.m. until the
2 designated closing hour of that locality at hotels, motels, or restaurants which:

3 (a) Have dining facilities with a minimum seating capacity of one hundred (100)
4 people at tables; and

5 (b) Receive less than fifty percent (50%) of their annual food and beverage
6 receipts~~[income]~~ from the dining facilities from the sale of alcohol.

7 (5) In any county containing a city of the first class or in any city located therein in
8 which the sale of distilled spirits and wine is permitted under KRS Chapter 242, the
9 distilled spirits director may issue a license to holders of a quota retail drink license
10 or a special private club license which permits the sale of distilled spirits and wine
11 by the drink on Sunday from 1 p.m. until the prevailing time for that locality.

12 (6) Any city of the fourth class or county containing a city of the fourth class which has
13 enacted a comprehensive, regulatory ordinance relating to the licensing and
14 operation of hotels, motels, inns, or restaurants for the sale of alcoholic beverages
15 by the drink under KRS 243.072, may also regulate and provide for the limited sale
16 of distilled spirits and wine by the drink on Sundays if:

17 (a) The special Sunday retail drink licenses are issued only to those hotels,
18 motels, inns, or restaurants authorized to sell alcoholic beverages by the drink
19 under KRS 243.072; and

20 (b) The licensed retailers selling distilled spirits and wine by the drink have
21 applied to the state director and meet all other legal requirements for obtaining
22 a special Sunday retail drink license.

23 (7) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, in
24 any county containing an urban-county government, consolidated local government,
25 charter county government, or unified local government where Sunday sales of
26 distilled spirits and wine by the drink have been previously approved, the legislative
27 body of the urban-county government, consolidated local government, charter

1 county government, or unified local government may by ordinance extend Sunday
2 sales to any premises licensed to sell distilled spirits and wine by the drink located
3 within the territorial boundaries of the urban-county government, consolidated local
4 government, charter county government, or unified local government and may by
5 ordinance establish the hours such distilled spirits and wine by the drink may be
6 sold.

7 ➔Section 23. KRS 244.295 is amended to read as follows:

8 (1) In any county containing an urban-county government, a premises that has been
9 granted a license for the sale of distilled spirits or wine at retail shall not be
10 permitted to remain open for any purpose between midnight and 6 a.m., or at any
11 time during the twenty-four (24) hours of a Sunday, unless the licensee provides a
12 separate department within his or her licensed premises capable of being locked and
13 closed off, within which is kept all stocks of distilled spirits and wine, and all
14 fixtures and apparatus connected with his or her business as a licensee, and the
15 department is kept locked during the time mentioned above. The licensee shall be
16 deemed to have complied with this section; except that the legislative body of an
17 urban-county government in which traffic in distilled spirits and wine is permitted
18 under KRS Chapter 242 shall have the exclusive right and power, by ordinance, to
19 establish the hours and times in which distilled spirits and wine may be sold within
20 its jurisdictional boundaries. Provided, however, distilled spirits or wine may not be
21 sold in any portion of a county containing an urban-county government during the
22 twenty-four (24) hours between 6 a.m. Sunday and 6 a.m. Monday, except as
23 provided in subsections (2) and (3) of this section; and provided, also, that all stocks
24 of distilled spirits and wine shall be kept locked during the hours in which the
25 licensee is prohibited from selling distilled spirits and wine.

26 (2) In any county containing an urban-county government in which the sale of distilled
27 spirits and wine is permitted under KRS Chapter 242, an election on the question of

1 permitting the sale of distilled spirits and wine by the drink on Sunday may be held
2 as provided in KRS 242.020 to 242.040 and 242.060 to 242.120. In any election, the
3 form of the proposition shall be, "Are you in favor of the sale of distilled spirits and
4 wine by the drink between the hours of one p.m. and midnight on Sunday in (name
5 of county)?".

- 6 (3) In any county containing an urban-county government in which the sale of distilled
7 spirits and wine is permitted under KRS Chapter 242, the legislative body of the
8 urban-county government may by resolution or ordinance submit to the electorate a
9 proposal to permit the sale of distilled spirits and wine by the drink on Sunday from
10 1 p.m. until a closing hour specified in the proposal by hotels, motels, convention
11 centers, convention hotel complexes, restaurants, racetracks, and commercial
12 airports which are licensed for the retail sale of distilled spirits and wine by the
13 drink and which have dining facilities with a minimum seating capacity of one
14 hundred (100) people at tables and which receive less than fifty percent (50%) of
15 their annual food and beverage receipts~~[income]~~ from dining facilities by the sale of
16 alcohol. The proposal to be submitted to the electorate shall be framed so that any
17 voter who wishes to vote in favor of the limited Sunday sales of distilled spirits and
18 wine by the drink may signify his or her approval by voting "yes" and any voter who
19 wishes to vote against the limited Sunday sales of distilled spirits and wine by the
20 drink may do so by voting "no." The election shall be held on a date stipulated by
21 the legislative body, and the cost of the election shall be borne by the urban-county
22 government. The proposal shall be published pursuant to KRS Chapter 424 and
23 shall also be advertised by written or printed handbills posted at not less than five
24 (5) conspicuous places in each precinct of the county for two (2) weeks before the
25 election. The general election laws, including penalties for violations, shall apply to
26 the election, except where those laws are inconsistent with the provisions of this
27 section. The proposal submitted to the electorate shall be effective immediately if a

1 majority of those voting on the proposal vote "yes."

2 (4) In any county containing an urban-county government in which the sale of distilled
3 spirits and wine by the drink is permitted on Sunday as provided in subsections (2)
4 and (3) of this section, licensed retailers selling distilled spirits and wine by the
5 drink may apply to the director of the Division of Distilled Spirits for a special
6 Sunday retail drink license. Upon receipt of an application and payment of the
7 prescribed fee, the director shall issue a license.

8 (5) Notwithstanding any provision of the Kentucky Revised Statutes to the contrary, in
9 any county containing an urban-county government where Sunday sales of distilled
10 spirits and wine by the drink have been previously approved, the legislative body of
11 the urban-county government may by ordinance extend Sunday sales to any
12 premises licensed to sell distilled spirits and wine by the drink located within the
13 territorial boundaries of the urban-county government and may by ordinance
14 establish the hours such distilled spirits and wine by the drink may be sold.

15 ➔Section 24. KRS 244.480 is amended to read as follows:

16 (1) Except as provided in subsection (4) of this section, no brewer or distributor shall
17 deliver any malt beverages on Sunday or between the hours of midnight and 6 a.m.
18 on any other day.

19 (2) Except as provided in subsection (4) of this section, no retailer shall sell, give away,
20 or deliver any malt beverages between midnight and 6 a.m. or at any time during the
21 twenty-four (24) hours of a Sunday.

22 (3) (a) A retailer may sell malt beverages during the hours the polls are open on a
23 primary, or regular, local option, or special election day unless the retailer is
24 located where the legislative body of an urban-county government,
25 consolidated local government, charter county government, unified local
26 government, or a city of the first, second, third, or fourth class, or the fiscal
27 court of a county containing an urban-county government or a city of the first,

second, third, or fourth class, in which traffic in malt beverages is permitted by KRS Chapter 242 has adopted an ordinance that prohibits the sale of alcoholic beverages or limits the hours and times in which alcoholic beverages may be sold within its jurisdictional boundaries on any primary, or regular, local option, or special election day.

(b) This subsection shall only apply in a wet or moist territory~~[where prohibition is no longer in effect in whole or in part].~~

(c) Notwithstanding any other provisions of the Kentucky Revised Statutes to the contrary, the fiscal court of a county containing a city of the first, second, third, or fourth class shall not by ordinance or any other means:

1. Supersede, reverse, or modify any decision made pursuant to this subsection by the legislative body of a city of the first, second, third, or fourth class within that county; or
2. Impose an action upon a city of the first, second, third, or fourth class within that county when that city has taken no formal action pursuant to this subsection.

(4) The legislative body of an urban-county government, consolidated local government, charter county government, unified local government, or a city of the first, second, third, or fourth class or of a county containing an urban-county government, consolidated local government, charter county government, unified local government, or a city of the first, second, third, or fourth class in which traffic in malt beverages is permitted by KRS Chapter 242, shall have the exclusive power to establish the times in which malt beverages may be sold within its jurisdictional boundaries, including Sunday and any primary, or regular, local option, or special election day sales if the hours so fixed shall not prohibit the sale, gift, or delivery of any malt beverages between 6 a.m. and midnight during any day, except Sunday.

➔Section 25. KRS 244.585 is amended to read as follows:

- 1 (1) It shall be unlawful for any distributor to sell any brand of malt beverage in the
2 Commonwealth of Kentucky, except in the territory described in a written
3 agreement between the supplier or brewer and distributor, authorizing sale by the
4 distributor of that brand within a designated area, and within that designated area
5 the distributor shall not refuse to sell or offer reasonable service to licensed retailers
6 during the normal business hours of the distributor. Where a supplier or brewer sells
7 several brands, the agreement need not apply to all brands sold by the supplier or
8 brewer and may apply to only one (1) brand. No supplier or brewer shall provide by
9 the written agreement for the distribution of a brand of malt beverages to more than
10 one (1) distributor for all or any part of the designated territory. Upon request, all
11 territorial agreements shall be filed with the department.
- 12 (2) Each distributor shall comply with such quality control standards as are specified in
13 writing from time to time by the owner of the trademark of the brand of malt
14 beverage, provided those controls are:
- 15 (a) Normal industry practice;
 - 16 (b) Reasonably related to the maintenance of quality control;
 - 17 (c) Consistent with the provisions of this chapter and all regulations promulgated
18 pursuant thereto; and
 - 19 (d) The distributor has received written notice of them from such owner.
- 20 (3) A distributor may sell to only those licensed retailers, religious, charitable or
21 fraternal organizations located within his designated geographical territory as
22 provided in this section and to his employees and to other distributors of the same
23 brand. No brand of malt beverage may be sold in the Commonwealth of Kentucky
24 without prior written approval of the brewer and supplier filed with the department.
- 25 (4) A territorial designation in any agreement between a distributor and brewer or
26 supplier pursuant to this section shall be modified only in accordance with all the
27 rights and duties of the distributor and brewer or supplier contained in any written

1 agreement between them or by such other action of the brewer, supplier or
 2 distributor that is consistent with the terms of their agreement, and such
 3 modification shall be filed pursuant to the provisions of this section. The board shall
 4 require each party to verify that the level of service within the designated territory
 5 will not be adversely affected by such modification. When a distributor is prevented
 6 from selling or servicing retailers within his territory due to natural disasters, labor
 7 disputes or other such causes beyond his control, the distributor may allow another
 8 distributor of the same brand of malt beverages to sell and service that brand within
 9 his territory upon approval of the brewer or supplier.


10 (5) No provisions of any agreement shall expressly or impliedly establish or maintain
 11 the resale price of any brand of malt beverage by the distributor.

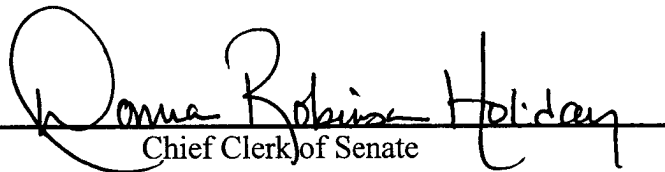
12 ➔Section 26. The following KRS sections are repealed:


13 243.083 Restrictions on issuance of NQ2 retail drink licenses to certain restaurants or
 14 hotel dining facilities.

15 243.205 Business authorized by transporter's license -- Transportation of distilled spirits,
 16 wine, and malt beverages -- Entities eligible for license -- Reports to Department of
 17 Revenue -- Restrictions upon routes traveled -- Examination of cargo -- Illegal
 18 trafficking -- Exemption from KRS 243.100 and 244.090.


President of Senate


Speaker-House of Representatives

Attest: 
Chief Clerk of Senate

Approved 
Governor

Date 4/2/14